

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/21):**

BUTTER: Grade AA closed at \$1.3800. The weekly average for Grade AA is \$1.3788 (+.0046).

CHEESE: Barrels closed at \$1.2500 and blocks at \$1.3500. The weekly average for barrels is \$1.2325 (+.0625) and blocks, \$1.3117 (+.0682).

NONFAT DRY MILK: Extra Grade closed at \$0.9900 and Grade A closed at \$1.0000. The weekly average for Extra Grade is \$0.9900 (N.C.) and Grade A, \$1.0000 (N.C.).

BUTTER: The butter market remains generally firm. Producers and handlers report that sales are lighter this week as stocks are in place for Thanksgiving needs, although some last minute orders were being placed and shipped. Many butter handlers are pleased to see that retail prices in most areas of the country are reflecting at least some of the cash market decline seen at the CME over the past month. Churning activity during this holiday week is expected to be heavier as additional volumes of cream become available to butter operations. Stocks of butter appear to be readily available for current and future needs.

CHEESE: The cheese market is firm. Prices continue to trend higher. The block/barrel spread remains at a wide level (10 cents on 11/21). Current cheese demand has improved though packaging and many distribution schedules will be interrupted by the holiday. Many packagers will operate over the weekend to refill the pipeline after Thanksgiving. Current natural supplies are tight to adequate. Most buyers are looking for product for immediate needs. Some buyers have not been successful in acquiring desired supplies. Milk supplies are seasonal and some plants are looking for additional supplies to help with orders.

FLUID MILK: Processors are expecting few problems handling milk over the holiday disrupted week and weekend. Bottlers were increasing output early in the week to have a few down days. Class I demand was higher from retail and food service, but generally offset by the drop in school lunch orders. Milk production patterns are steady to higher across the Eastern United States. The Southeast is seeing milk output increase and lessen the need for supplemental milk from other regions. In the Midwest, milk is increasing along expected seasonal patterns. Northwestern output is lighter than anticipated, partly due to weather and feed. Processors would like some additional milk. In the Southwest, production patterns are steady with recent weeks. California is having typical rainy weather patterns with limited impacts on milk output. Fluid cream markets are mixed and pricing

levels are variable. Demand has been slow to fair.

DRY PRODUCTS: Dry product markets are experiencing normal disruptions over the Thanksgiving holiday week. Production and delivery schedules are seeing some fluctuations. Pricing levels for nonfat dry milk are little changed in light trading. Drying schedules are expected to be slightly heavier later in the week as more surplus milk is available for processing. Buttermilk prices are holding mostly steady. The market trend is slightly unsettled due to the higher prices compared to NDM and more condensed buttermilk is available. Dry whey markets are slightly firmer in the Central and East. Production levels are mixed and offerings are often short of trade needs. Lactose prices are unchanged, but tight supplies and good demand are buoying the market. Whey protein concentrate markets are steady to weak, although prices were not changed in the short week. Buyers remain cautious of the market and continue to shop for alternative products.

CCC: During the holiday-shortened period of November 19 - 20, adjusted purchases totaled 4,762,379 pounds of Western NDM under the price support program.

OCTOBER COLD STORAGE (NASS): October U.S. cold storage holdings of butter total 95.0 million pounds, 10.2% lower than a month ago, but 62.9% higher than last October. Natural American cheese holdings total 458.5 million pounds, 6.0% lower than a month ago and 16.1% less than a year ago. Nonfat dry milk holdings at the end of September total 913 million pounds, 17 million pounds less than last month but 302 million pounds more than last September.

OCTOBER FEDERAL MILK ORDER PRICES AND POOL SUMMARY (AMS): During October, about 9.8 billion pounds of milk were received from producers. This volume of milk is 3.4% higher than the October 2000 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +3.7%.) About 4.1 billion pounds of producer milk were used in Class I products, 2.8% higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilization percentages were; Class I = 41%, Class II = 11%, Class III = 40%, and Class IV = 8%. The weighted average statistical uniform price was \$15.45 per cwt., \$1.63 lower than last month, and \$3.10 higher than last year.

*****SPECIALS THIS ISSUE*****

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OCTOBER FEDERAL MILK ORDER PRICES AND POOL
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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY NOVEMBER 19	TUESDAY NOVEMBER 20	WEDNESDAY NOVEMBER 21	THURSDAY NOVEMBER 22	FRIDAY NOVEMBER 23	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2075 (+.0475)	\$1.2400 (+.0325)	\$1.2500 (+.0100)	H O	C L	+.0900	\$1.2325 (+.0625)
40# BLOCKS	\$1.2850 (+.0150)	\$1.3000 (+.0150)	\$1.3500 (+.0500)	L I	O S	+.0800	\$1.3117 (+.0682)
BUTTER GRADE AA	\$1.3775 (-.0025)	----	\$1.3800 (+.0025)	D A Y	E D	N.C.	\$1.3788 (+.0046)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$.9900 and Grade A price is \$1.0000. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, NOVEMBER 19, 2001

CHEESE — SALES: 3 CARS BARRELS: 1 @ \$1.1900, 2 @ \$1.1875; 9 CARS 40# BLOCKS: 1 @ \$1.2700, 1 @ \$1.2675, 4 @ \$1.2700, 2 @ \$1.2750, 1 @ \$1.2800; BIDS UNFILLED: 3 CARS BARRELS: 1 @ \$1.2075, 1 @ \$1.2050, 1 @ \$1.1700; 3 CARS 40# BLOCKS: 1 @ \$1.2850, 1 @ \$1.2750, 1 @ \$1.2700; OFFERS UNCOVERED: NONE

BUTTER — SALES: 2 CARS @ \$1.3775; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS: 2 @ \$1.3800, 3 @ \$1.4000, 1 @ \$1.4050

TUESDAY, NOVEMBER 20, 2001

CHEESE — SALES: 21 CARS BARRELS: 1 @ \$1.2400, 1 @ \$1.2300, 1 @ \$1.2325, 1 @ \$1.2350, 1 @ \$1.2375, 2 @ \$1.2400, 1 @ \$1.2375, 6 @ \$1.2400, 1 @ \$1.2300, 1 @ \$1.2325, 1 @ \$1.2350, 1 @ \$1.2375, 1 @ \$1.2400, 1 @ \$1.2350, 1 @ \$1.2400; BIDS UNFILLED: 2 CARS BARRELS @ \$1.2075; 4 CARS 40# BLOCKS: 1 @ \$1.3000, 1 @ \$1.2975, 2 @ \$1.2850; OFFERS UNCOVERED: 4 CARS BARRELS @ \$1.2400

WEDNESDAY, NOVEMBER 21, 2001

CHEESE — SALES: 3 CARS BARRELS: 1 @ \$1.1650, 2 @ \$1.1700; 9 CARS 40# BLOCKS: 1 @ \$1.2250, 1 @ \$1.2275, 3 @ \$1.2300, 2 @ \$1.2350, 2 @ \$1.2400; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1650; OFFERS UNCOVERED: 2 CARS BARRELS @ \$1.1750; 2 CARS 40# BLOCKS: 1 @ \$1.2375, 1 @ \$1.2400

BUTTER — SALES: 5 CARS: 2 @ \$1.3675, 1 @ \$1.3725, 1 @ \$1.3750, 1 @ \$1.3725; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR @ \$1.3900

THURSDAY, NOVEMBER 22, 2001

NO TRADING - HOLIDAY

FRIDAY, NOVEMBER 23, 2001

NO TRADING - HOLIDAY

BUTTER MARKETS

NORTHEAST

The market tone remains unsettled, but firming. During the November 19 trading, the CME price for butter fell fractionally. This is the first price decline since October 31. Thanksgiving needs should be in store and retail features are common. Distributors are active this week as most would like to take Friday off and have a long weekend. Churning activity was moderate last week, but expected to increase the closer we get to Thanksgiving. With schools closed for various periods of time, milk sales are slower this week and surplus milk volumes are heavy. Also, many ice cream makers are down this week and this forces more cream to local and out-of-region churning facilities. Bulk and packaged butter stocks are readily available to meet current needs. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

CENTRAL

Butter markets remain unsettled. Producers and handlers report that orders are lighter this week. Most activity is centering around last minute fill-in needs prior to the Thanksgiving holiday. Retail sales activity has been reported as good, spurred by scattered feature activity and generally by overall lower prices. Food service orders are gaining momentum from slower sales of the past few months. Churning activity varies across the Central part of the country depending on cream availability. For the most part, cream supplies are readily available to maintain

steady production schedules. Many butter operations anticipate cream to be more available during the upcoming holiday weekend. Stocks of butter are reported to be sufficient for current needs. Many butter producers and handlers feel that they should have adequate volumes of butter for upcoming year-end needs. Often, orders have already been placed for this time of the year. When available, bulk butter for spot sale is selling in a price range of 3 – 5 cents per pound over various pricing basis.

WEST

Butter demand has been rated from normal to just below normal by a number of sellers going into the holiday week. Most are pleased to see that retail prices are reflecting some of the cash market decline seen at the CME. Most contacts don't believe that prices will climb too much higher over the next few weeks and will likely soften once the end of the year holiday needs are covered. More cream is expected to be available for churning this week due to the holiday. Manufacturers expect that buyers will be assessing their inventories to gauge how well butter sold for Thanksgiving and to judge how much they might need for the end of December. Most of the butter trade is pleased with how the fourth quarter is progressing. Current prices for bulk butter range from 3 1/2 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY	MILKFAT	
	40# BLOCKS	BARRELS 38% MOISTURE				CLASS II	ALL CLASSES
NOV 17	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

* Information is not available due to holiday printing schedule, please consult the above web site.

CHEESE MARKETS

NORTHEAST

Prices are mixed; higher on natural styles, fractionally lower on process. The market tone is seasonally firm as orders for cheese are improving. Most Thanksgiving needs have been delivered, but some, last minute deliveries do get made early this week. Most distributors will be very active early this week and take a long weekend off. However, some will be open on Friday. Cheese production is steady to slightly heavier as surplus milk supplies increase. Cheese stocks range from light to fully adequate. Retail sales are generally fair to good. Food service orders have been improved not only for Thanksgiving, but for the traditional beginning of the Christmas shopping season.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2875-1.7575
Cheddar Single Daisies	:	1.2450-1.7050
Cheddar 40# Block	:	1.3825-1.5650
Process 5# Loaf	:	1.3800-1.5400
Process 5# Sliced	:	1.4000-1.6575
Muenster	:	1.4475-1.6550
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is steady to fully steady. Prices continue to trend irregularly higher on the Chicago Mercantile Exchange cash cheese market. Adjustments to plant operating schedules as well as getting/making deliveries (trucks) are providing the usual logistical headache around the Thanksgiving holiday. Most packagers will close for Thanksgiving but will try to make up for the lost time during the weekend. Cheese demand is good with current inventories depleted at most plants. Interest is very good for most American styles as well as Swiss and mozzarella. Shred interest remains steady at good levels. Process demand is moderate, with best interest for food service accounts rather than retail. Most production plant operators are hard pressed to meet regular commitments before considering spot orders. Milk supplies are little changed from recent weeks though a few plants are seeing slight increases in volumes. Seasonal fat and protein levels in incoming milk supplies are providing good cheese yields.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3900-1.9500
Brick And/Or Muenster 5#	:	1.7900-1.8050
Cheddar 40# Block	:	1.6250-2.1150
Monterey Jack 10#	:	1.8375-2.1150
Blue 5#	:	1.9950-2.4400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6850-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.1175-2.6900

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	NOVEMBER 19 - 23, 2001
BARRELS*	:	\$1.1800 - 1.2500 (NOMINAL)
	:	(\$.0150) (.0625)
40# BLOCKS	:	\$1.2425 - 1.2800 (NOMINAL)
	:	(\$.0300) (.0375)

() Change from previous week. * If steel, barrel returned.

WEST

Prices for natural cheese moved higher in response to cash trading at the CME last week. Most contacts believe that the market will continue to firm over the next few weeks based on fundamental market factors. Many Western producers are not able to meet current orders. They are looking for additional milk supplies. Most expect additional supplies this holiday week. Inventories at many operations have declined sharply over the past few weeks. Undergrade cheese is also finding good buyer interest. Some buyers are now willing to help to cover some of the freight costs if they can just get the cheese. Swiss sales are rated as good for this time of year. Good interest is noted for mozzarella.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3250-1.5850
Cheddar 40# Block	:	1.3625-1.5250
Cheddar 10# Cuts	:	1.5425-1.7625
Monterey Jack 10#	:	1.5525-1.7125
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5800

FOREIGN

Prices from domestic styles are higher as the weekly average cash price for cheddar at the CME increased three cents. The market tone is seasonally firm. Distributors are busy filling holiday needs with Thanksgiving needs already shipped. Stocks of soft-ripened cheese are on the snug side, but most other varieties are in adequate supply. In Europe, the cheese market remains firm. Demand for EU cheese is holding up very nicely. Reports indicate that Cheese output in August was 4% above August 2000.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	:	TFEWR : -0-
Blue	:	2.6400-3.1400 : 1.5900-3.0850*
Gorgonzola	:	3.2400-5.9400 : 2.0900-2.4900*
Parmesan (Italy)	:	TFEWR : 3.0075-3.0600*
Romano (Italy)	:	2.1000-2.9900 : -0-
Provolone (Italy)	:	3.4400-5.5000 : 1.5975-1.8175*
Romano (Cows Milk)	:	-0- : 2.7775-4.9575*
Sardo Romano (Argentina)	:	2.6500-3.2900 : -0-
Reggianito (Argentina)	:	2.6500-3.2900 : -0-
Jarlsberg (Brand)	:	2.7500-3.5900 : -0-
Swiss Cuts Switzerland	:	-0- : 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500 : -0-
Swiss Cuts Austrian	:	2.2500-2.7500 : -0-
Edam	:	:
2 Pound	:	TFEWR : -0-
4 Pound	:	2.1900-2.9500 : -0-
Gouda, Large	:	2.3900-2.6800 : -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	:	27.8000-31.7000 : -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
11/19/01	14,494	: 124,863
11/01/01	24,443	: 124,923
CHANGE	-9,949	: -60
% CHANGE	-41	: N.C.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	4	0	26	0	0	0
SOUTHEAST STATES	14	0	35	0	21	0

During October, milk production in the 20 major states totaled 11.79 billion pounds, down 0.7% from October 2000. The following are the October-to-October changes for selected states: New York +1.5%, Virginia -0.7%, Pennsylvania -1.5%, Florida -1.7%, Vermont -3.5%, Kentucky -4.4%, and Texas -11.1%. For the above-mentioned states, the combined milk cow numbers total 2,131,000 head, down 59,000 head from last October. Milk cows in the twenty major states total 7,722,000 head, down 95,000 from a year earlier. Milk production is increasing in most parts of the Southeast and the need for "outside" milk has lessened this week. In the Middle Atlantic area, the milk flow is steady to slightly higher. Northeastern contacts report mostly steady to slightly heavier milk production. Bottling schedules have been and are heavier through Tuesday. Many bottlers will operate on Wednesday, be down Thursday, and back to normal operations on Friday and Saturday. School closings are pushing quite a bit more milk into manufacturing channels. In the Southeast, their local production is increasing which, along with school closings, have eased the need for milk to be imported. Some balancing plants in the Southeast are back on line and should continue to operate through the weekend and into next week. Manufacturing plants in the Northeast and Middle Atlantic regions are also seeing increased milk volumes and have stepped up schedules accordingly. The condensed skim market is a little weaker as some users are down this week and the extra solids are being dried. Prices for condensed skim are little changed. Class III prices seem to be inching lower as November's Class III skim price is expected to be down sharply from last month. The fluid cream market is mixed. Prices are higher due to the increase in the CME butter price last week. Spot demand is off this week. However, contacts report that in the last month or so, there have been quite a few buy orders on Dairy.com from California buyers. Many ice cream makers are down all or part of this week. The extra cream that has been generated has been cleared with little or no difficulty, but some contacts are concerned about movement during the middle of this week. Cream cheese makers continue to take seasonally heavy volumes of cream. Bottlers are operating on moderate to heavy schedules. Egg nog production is light, but most producers will likely be back on line the first or second week of December. Churning activity is heavier as more excess cream is available. Most regional makers have capacity to make more butter and most expect to be nearly full during the holiday weekend.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.7178-1.8689
DELIVERED EQUIVALENT ATLANTA	-	1.7040-1.8827 M 1.7590-1.8139
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7315-1.8689

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0000-1.0800
NORTHEAST- CLASS III - SPOT PRICES	- .9800-1.0600

M I D W E S T

Class I demand was good through November 20, when school needs starting to back off in anticipation of the holiday. Early reports indicate that most bottlers were only going to shut down production schedules for the holiday observance. Some extra milk is expected to be available over the long holiday weekend. Volumes are not expected to be excessive and generally from just local sources. Retail promotions on milk and holiday items such as dips, whipped and sour cream, as well as egg nog, were helping to keep Class I usage strong. Manufacturing milk supplies were light ahead of the holiday. On a light test before the holiday, spot manufacturing milk premiums ranged from \$1.35 - \$3.00, mostly \$1.50 or less. Spot offering prices for holiday surplus milk were generally lower (including flat class) though most handlers expected the holiday

weekend to be pretty much another non-event (not a great deal of surplus to move). Cream prices are higher as multiples moved higher on the lower end and the weekly Chicago Mercantile Exchange cash butter average increased. Sellers were anticipating multiples would decline during the holiday weekend. Plant milk intakes are little changed from recent weeks, though if anything slightly lower. Finding a trucker, particularly for last minute orders, has been a problem for some milk and cream deals. Condensed skim interest has been good from Class III accounts and prices ranged from \$.95 - 1.06. The fall harvest and tillage operations were nearing completion where field conditions allow.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 15 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 37.00	\$ 34.00- 39.00
REPLACEMENT HEIFER CALVES	\$370.00-450.00	\$320.00-380.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	NOV 15 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.50- 41.50	\$ 31.00- 44.00

W E S T

U.S. 20-state milk production in October is estimated to be 11.8 billion pounds, down 0.2% from October 2000. All five Western states surveyed show increases or are unchanged. Arizona output is up 3.5% from last year, California +5.1%, Idaho +6.5%, New Mexico +8.4%, and Washington unchanged. Cow numbers in the Western states surveyed are up 84,000 head. Production per cow is positive in the West, ranging from +0.3% to +3.7%. The December Class I prices in California range from \$13.61 in the north to \$13.88 in the south. The statewide average Class I price based on production is \$13.66. The average is \$0.98 lower than November and \$2.54 lower than December 2000. Milk production patterns remain consistent with recent weeks in the Southwest. There are slight seasonal increases noted in most areas. Processors in the region are not expecting problems handling milk and components over the holiday weekend. The weather patterns are including more rain in California, which is typical for this time of year. Indications are that there are few problems associated with the recent rains. Demand for milk entering the Thanksgiving holiday is good from most processors. Some of this was from processor trying to "double up" early in the week to take additional time off around the holiday. Fluid milk orders were reported as good from retail sources and food service accounts. These gains are mostly offset by the decline in school lunch and secondary school orders. New Mexico milk production patterns continue to trend higher at levels above last year. The revised September milk production reports shows that New Mexico is now the 7th largest milk production state in the United States. Conditions remain favorable for milk output growth in the state. Producers continue to add cows to herds and new facilities are being built. Western cream multiples are steady early in the week, but pressured later around the holiday. However, demand is fair to good and may prevent distressed loads of cream from appearing on the market. Production schedules will be lowered or ceased at some plants, but others will run to process the cream. Cream based holiday items placements into stores and food service were good. Ice cream production remains light and will not be very active over the weekend. Cream multiples are mostly steady in the 115 to 132 range, FOB. Wet weather continues along the coasts of Oregon and Washington. Some stream and river flooding is noted. Most contacts believe that water conditions are nearly back to normal levels. The eastern halves of both states are not fairing nearly as well. They are seeing some shower activity, but not enough to be of much help. Hay stocks remain tight, prices are firm, and quality available is deteriorating. Milk production is lighter than anticipated at some locations. A number of manufacturing plants are looking for additional supplies of milk. They believe that they will find some added supplies this week due to the long holiday weekend. Milk producers in Utah and Idaho are noting that weather conditions this fall are helping somewhat with the milk flow and also on the cost side. The warm conditions mean that less feed is needed to maintain the cows and still produce milk. Conditions remain dry as only showers are noted over most of the region. They are helping because the ground is not frozen and any moisture is soaking in. Fat and protein tests on milk receipts are seasonally very good. Cheese yields from the milk are very good.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 11/20/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged and nominal on a mostly steady market. Interest is increasing from cheese and brokerage facilities. Most movement is generally on a contractual basis. Thus far, milk increases into plants are minimal. More milk is expected over the weekend due to seasonal holiday schedules. Contract negotiations for 2002 are moving slowly. While some producer plants are asking for premiums, buyers are skeptical of higher prices in light of lower international NDM prices. Some 34% WPC is price competitive with NDM on international markets. High heat production is steady for the contractual interest.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9450 - .9700 MOSTLY: .9550 - .9700

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower and nominal on a steady to weak market. Buttermilk output is increasing seasonally. At some locations, supplies are building. Buyers are reluctant to purchase additional loads as the market is expected to decrease in correlation with lower NDM prices. Some plants are trading at lower prices in response to buyer price resistance. However, brand specific supplies continue to trend in balance to short of buyer interest. Increased churning activity is expected over the weekend, encouraging higher buttermilk output. Offering prices are generally trending lower.

BUTTERMILK: 1.0100 - 1.1150

DRY WHEY - CENTRAL

Prices are unchanged to higher on a steady to firm market. Due to the abbreviated holiday week, trading activity is light. Some plants are noting slight increases in production. However, supplies are reportedly short of interest, encouraging producers to offer higher premiums on 2002 contracts. Negotiations are continuing with little progress seen in the short term. Prices are reportedly too high for export markets. Feed buyers are willing to take supplies where available but are also searching for substitutes to Extra Grade whey. Some producers are reportedly running behind on their contracts. Milk diverted away from fluid markets and into cheese vats is hoped to alleviate some supply problems.

NONHYGROSCOPIC: .2925 - .3100 MOSTLY: .2925 - .3000

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher on a steady to firm market. Milk replacer supplies are tighter than the week prior. Producers are more selective with their sales and are therefore gaining higher prices. Roller ground prices are increasing in line with the Extra Grade market. Demand is improving compared to the week prior with most product readily clearing on a contractual basis. The delactose market remains unchanged on steady production schedules. Supply shortages are not being reflected in higher prices. Demand is strong from feed and edible markets.

MILK REPLACER: .2400 - .2650
 ROLLER GROUND: .2800 - .2950
 DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a firm market. Inquiries are plentiful while spot trading continues light. Supplies of lactose are tight with some buyers seeking a continuance on their current contracts for 2002. Asking prices for the first quarter are ranging between 1/2 - 2 cents over the market. Buyers are slow to respond yet limited in trade as EU supplies are also trending short. Some pharmaceutical firms are seeking supplies of the higher mesh in advance of expected demands mid-year 2002. Production is steady to slightly lower as producers vie with feed buyers for limited supplies of condensed permeate. Off grade trading is light for the good demand.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2000 - .2675 MOSTLY: .2050 - .2300

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a steady to weak market. While offering prices are being reported at 3-5 cents under the market, trading activity is lackluster. Buyers, especially from the feed industry, expect lower prices more in line with CCC NDM offerings and are very price resistant. Movement into edible markets is steady with some WPC 34% supplies competing with NDM on export markets. Production is mostly unchanged. Condensed supplies are generally tight due to a good interest from high protein facilities. Dry 34% WPC supplies continue mixed. However, in general, excess supplies at some locations in response to lower feed demands are encouraging weaker conditions. Off grade supplies are limited for the good interest.

EXTRA GRADE 34% PROTEIN: .7000 - .7675 MOSTLY: .7325 - .7650

NONFAT DRY MILK - WEST

Prices are slightly lower on the ends of the range with the market tone remaining generally weak. DEIP contracts continue to be committed, but offerings to the CCC under the support program continue to be used to keep inventories in balance. Trading is light during the holiday-shortened week. Production levels are expected to be higher later in the week to help balance surpluses in the region. Levels are not expected to create burdens anywhere. Stocks are moderate. During the week of November 12 - 16, Western producers offered adjusted purchases of 4,947,798 pounds of NDM to the CCC. High heat prices are lower on the top end of the range. Market activity is limited this week. Offerings are in generally good balance with demand.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8950 - 1.0225 MOSTLY: .9000 - .9450

HIGH HEAT: .9650 - 1.0200

DRY BUTTERMILK - WEST

Dry buttermilk prices are unchanged. The market tone is mostly steady in light holiday trading. Production is not as high as some producers would like, but some additional drying should occur over this weekend. Offerings are sometimes on the short side with demand, but pricing levels are not being pushed. Stocks remain light.

BUTTERMILK: 1.0300 - 1.0750 MOSTLY: 1.0400 - 1.0500

DRY WHEY - WEST

Prices remain steady during this holiday-shortened week. The market undertone remains firm. Domestic buying interest is rated as good. Stock levels at the producer level range from tight to short of needs. Some additional production is expected this holiday week.

NONHYGROSCOPIC: .2675 - .2900 MOSTLY: .2675 - .2800

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

Information not available when this report was released.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are steady. Northeastern prices remain nominal. Eastern production is increasing this week as more surplus milk is available due to school closings and a slower demand for condensed skim is being reported, particularly Class II. Most dryers expect to operate on heavier schedules through early next week. More milk is available in the Southeast and some balancing plants are back on line. Producer stocks are still closely balanced, but slightly heavier than they have been. Demand is fair to good, but not overly aggressive. Offerings of Western NDM to CCC appear heavy this holiday-shortened week. On Monday (11/19) alone, CCC purchased nearly 6 million pounds.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: .9600 - 1.0000 MOSTLY: .9625 - .9775

HIGH HEAT: .9800 - 1.0200 MOSTLY: .9900 - 1.0200

DELVD SOUTHEAST:

ALL HEATS: .9700 - 1.0300

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are mostly steady and nominal in the Northeast, steady to lower in the Southeast. The market tone is not quite as firm. Churning activity is heavier this week and more buttermilk is being generated. Demand for condensed is slower as many ice cream makers are down for various periods of time this week. Producer stocks remain light and closely balanced. Demand for dry buttermilk is fair. Most users are taking it as needed. Most users are starting to think about year-end inventories.

F.O.B. NORTHEAST: 1.0000 - 1.0500

DELVD SOUTHEAST: 1.0400 - 1.0950

DRY WHOLE MILK - NATIONAL

Prices and the market tone are steady. Production levels are light to moderate, mostly light as output is geared toward meeting orders. It has been noted that some California producers now see dry whole milk as an outlet for butterfat at a time when the value of local butterfat (from the farm) used in ice cream is so high. Spot demand is seldom better than fair.

F.O.B. PRODUCING PLANT: 1.2000 - 1.4000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH NOVEMBER 16, 2001
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 2,949 MT (6,501,365 LBS)
CHANGE -- 2,589 MT (5,707,709 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are often higher as Eastern producers move prices in response to the changes seen last week on the Central States report. Northeastern prices remain nominal. The market tone is firm. Most Eastern producers still report being in a sold out position, while others occasionally have difficulty meeting shipping schedules. Cheese output is up slightly in the Northeast as more surplus milk is available this week. Demand for dry whey is steady, but spot interest is spotty and mostly filled in the resale market.

F.O.B. NORTHEAST: EXTRA GRADE .2925 - .3025

USPH GRADE A .3000 - .3125

DELVD SOUTHEAST: .3175 - .3350

EVAPORATED MILK - NATIONAL

Prices and the market tone are generally steady. Shipments from producer plants are spotty, which is typical for this time of year. Retailers usually feature early in November and then again in early in December and orders reflect an up and down scenario at this time. Production levels are steady to slightly heavier. Most producers expect milk prices to start declining over the coming months and they will take this opportunity to replenish inventories. Also, more surplus milk should be available during the holiday period.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Current casein markets are generally steady at unchanged prices, although the market tone is mixed. Rennet markets are firm while acid markets are weak. Stocks and deliveries are in line for the balance of the quarter, but mixed for the 1st quarter of the new year. Acid supplies are readily available now and for 1st quarter needs with prices on the weak side. Rennet supplies are tight, thus prices remain steady to firm as the new year approaches.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.4000 - 2.7300

ACID: 2.4500 - 2.6500

CHICAGO MERCANTILE EXCHANGE FUTURESSelected settling prices, (open interest), and volume 1/

Month	11/07	11/08	11/09	11/12	11/13	11/14	11/15	11/16
CME - (CLASS III) MILK FUTURES -- Dollars per cwt.								
NOV 01	11.20 (2329) 8	11.20 (2272) 22	11.25 (2273) 1	11.25 (2275) 4	11.25 (2236) 1	11.25 (2237) 5	11.25 (2266) 31	11.27 (2267) 2
DEC 01	11.40 (1973) 27	11.32 (1977) 16	11.45 (1978) 4	11.42 (1977) 0	11.42 (1957) 32	11.42 (1957) 1	11.45 (1967) 15	11.50 (1969) 12
JAN 02	11.60 (935) 13	11.65 (947) 22	11.73 (949) 7	11.63 (948) 1	11.60 (959) 14	11.60 (961) 7	11.60 (959) 43	11.65 (958) 16
FEB 02	11.80 (850) 19	11.75 (865) 16	11.75 (867) 10	11.75 (867) 0	11.75 (880) 33	11.75 (882) 16	11.80 (886) 14	11.80 (886) 10
MAR 02	11.85 (758) 8	11.80 (772) 14	11.80 (780) 12	11.80 (781) 2	11.80 (784) 29	11.80 (789) 10	11.84 (796) 16	11.85 (795) 8
APR 02	11.90 (665) 3	11.90 (671) 13	11.90 (671) 8	11.90 (671) 2	11.84 (705) 34	11.88 (709) 20	11.90 (708) 11	11.90 (708) 2
MAY 02	11.95 (526) 0	11.95 (539) 14	11.95 (546) 7	11.95 (546) 0	11.95 (552) 37	11.98 (556) 18	12.00 (564) 28	12.10 (565) 11
JUN 02	12.25 (544) 0	12.25 (566) 33	12.20 (570) 6	12.20 (571) 4	12.20 (571) 6	12.25 (574) 6	12.26 (595) 24	12.40 (593) 13
JUL 02	12.90 (332) 9	12.89 (345) 14	12.89 (360) 26	12.90 (365) 8	12.90 (365) 0	12.90 (369) 4	12.90 (376) 8	12.99 (400) 37
AUG 02	12.99 (292) 7	12.97 (308) 17	12.99 (327) 37	12.99 (328) 1	12.99 (333) 7	13.00 (330) 16	13.00 (343) 20	13.20 (344) 1
SEP 02	12.99 (277) 3	12.99 (294) 19	13.00 (305) 25	13.00 (312) 7	13.00 (312) 0	13.00 (312) 0	13.00 (316) 14	13.19 (316) 8
OCT 02	12.69 (246) 3	12.69 (252) 13	12.69 (252) 1	12.60 (252) 0	12.60 (252) 0	12.60 (256) 11	12.59 (263) 13	12.95 (298) 40
CME - CLASS IV MILK FUTURES - Dollars per cwt.								
NOV 01	12.00 (324) 0	12.00 (324) 0	12.00 (324) 0	12.00 (324) 0	12.00 (324) 3	12.10 (324) 0	12.10 (324) 5	12.05 (324) 0
DEC 01	12.30 (207) 0	12.30 (207) 0	12.30 (207) 6	12.45 (207) 0	12.45 (207) 0	12.45 (207) 0	12.45 (207) 0	12.45 (207) 0
JAN 02	12.50 (85) 0	12.50 (88) 3	12.45 (88) 0	12.45 (88) 0	12.45 (88) 0	12.45 (90) 2	12.50 (90) 0	12.50 (90) 0
FEB 02	12.45 (96) 0	12.45 (96) 0	12.45 (96) 0	12.45 (96) 0	12.45 (102) 6	12.40 (109) 7	12.45 (109) 0	12.45 (109) 0
MAR 02	12.60 (75) 0	12.60 (75) 0	12.60 (75) 0	12.60 (75) 0	12.60 (81) 6	12.50 (86) 5	12.50 (86) 0	12.50 (86) 0
CME - BUTTER FUTURES -- Cents per pound								
DEC 01	132.00 (36) 0	132.00 (36) 0	132.00 (36) 0	132.00 (36) 0	134.00 (36) 0	135.00 (36) 0	135.00 (35) 1	140.00 (35) 3
MAR 02	146.77 (38) 1	146.00 (38) 0	146.00 (38) 0	146.00 (38) 0	146.00 (38) 0	146.00 (38) 0	146.00 (38) 0	146.00 (38) 0
MAY 02	149.52 (18) 0	149.52 (18) 0	149.52 (18) 0	149.52 (18) 0	149.52 (18) 0	149.52 (18) 0	149.52 (18) 0	149.52 (18) 0
JUL 02	156.00 (8) 0	156.00 (8) 0	156.00 (8) 0	156.00 (8) 0	156.00 (8) 0	156.00 (8) 0	156.00 (8) 0	156.00 (8) 0
CME - NONFAT DRY MILK FUTURES -- Cents per pound								
NOV 01	93.00 (7) 0	93.00 (7) 0	93.00 (7) 0	93.25 (7) 0	93.25 (7) 0	93.25 (7) 0	93.25 (7) 0	93.30 (7) 0
DEC 01	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered November 12 - 23, 2001

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk production in Europe is seasonally low. Some milk handlers are stating that their milk volumes are comparable to last year at this time. European export refund subsidies for milk powders and butterfat were re-introduced November 15, effective the following day. Many in the trade hope that this move will slow down and stabilize the weakening price trend of manufactured dairy products. Although still early, in relationship to the effective date, European producers and handlers are stating that prices have leveled somewhat. Many are looking at the calendar and realizing that skim powder intervention will be opening in 4 months, thus hopefully the bottom of the recent price decline has occurred and stability, if not recovery, will return to the market. Butter intervention is open in many European countries with intervention anticipated to open in Germany and France soon. Recent intervention clearances and potential offerings in the coming months are being stated as to why the Commission re-introduced the subsidies. Buyer interest is starting to develop, especially for first quarter delivery. Stocks of powder are available to fill this early year demand, but also milk production will begin to seasonally increase. In years past, strong buyer interest from Russia was occurring, but this year, this demand is not there. The domestic industry within Russia is recovering, thus limited additional stocks are needed.

BUTTER/BUTTEROIL: European butter markets are weak with prices unchanged to generally lower. Stocks of butter are fully sufficient to the point that large volumes are entering intervention in those countries for which intervention is open. Intervention is open in most countries. Reports indicate that intervention will open in France and Germany next week. Butter sales are slow internationally with most sales occurring for domestic needs.

82% BUTTERFAT:	1,200 - 1,400
99% BUTTERFAT:	1,400 - 1,550

SKIM MILK POWDER (SMP): Skim powder markets remain unsettled and weak. The European Commission has re-introduced export refunds for skim milk powder effective November 16. Many producers and handlers indicate that they hope this move will stabilize prices from declining further. Although early, they state that this may be the case. Some international sales have been reported out of Europe, although overall buyer interest is slow. Stocks, though not excessive, are reported to be available. Producers and handlers anticipate that butter/powder production will be heavy over the upcoming yearend holidays.

1.25% BUTTERFAT:	1,720 - 1,800
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WHOLE MILK POWDER (WMP): Whole milk powder markets are unsettled and weak. Producers, handlers, and traders are hopeful that the European Commission's announcement of an export refund for whole milk powder will stabilize the weak trend. International buyer interest is not overly aggressive, although some recent sales have been reported. Stocks of powder are available should additional buyer interest develop. Producers of whole milk powder anticipate milk volumes during the upcoming yearend holidays to be diverted away from whole production and towards butter/powder.

26% BUTTERFAT:	1,670 - 1,750
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SWEET WHEY POWDER: Whey powder markets are steady to weaker. As is the case with most European dairy product prices, whey powder prices are equally unsettled. Stocks of whey powder are sufficient for needs, although international buyer interest is slow, especially at current prices. At this point, most whey sales activity is centering around internal or domestic buyer interest.

NONHYGROSCOPIC: 525 - 625

OVERVIEW: EASTERN EUROPE: Milk production patterns in Eastern Europe are seasonally low. The winter season is at hand thus milk handlers do not anticipate any strength until the new season begins in a few months. Stocks of manufactured dairy products are reported to be minimal in Eastern Europe, although some recent sales have been reported. Other than the recent sales, no significant new orders are being reported.

OCEANIA

OVERVIEW: Reports indicate that milk production in the Oceania region has peaked in most areas and in instances; milk handlers are reporting slightly lower receipts at some plants. Often, declining milk production stabilizes on the downward side and sometimes, recovers somewhat. At this time, more of a downward trend is being reported. In Australia, the milk production season had a good start, although milk volumes are lighter than many milk handlers anticipated. Within the past few weeks, considerable volumes of moisture have been reported in major milk producing areas, which is stabilizing milk output. In New Zealand, milk production is reported to be running about 5% ahead of last year. Positive milk production patterns are generating good volumes of milk for domestic and international needs. Stocks of manufactured dairy products are reported to be sufficient for current buyer interest with additional stocks being held for future needs. Often, Oceania manufacturers report that a large portion of their current and projected production has been committed. International sales activity is reported to be slower than usual for this time of the season. Oceania producers and handlers are not surprised at the slower sales activity in light of weaker price trends in other parts of the world. Ramadan, currently being observed, and the upcoming Christmas/New Year holiday period are times of the year when sales activity usually slows anyway.

BUTTER: Milk production is seasonally heavy in both Australia and New Zealand, thus is butter output. Stocks of butter are adequate for buyer needs, although international sales activity is quiet. Producers and handlers report that regular shipments continue to clear Oceania ports, although no significant new buyer interest is being reported. As with most other manufactured dairy products, butter stocks are reported to be significantly committed for the balance of the season.

82% BUTTERFAT:	1,200 - 1,300
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CHEDDAR CHEESE: Cheese markets are generally steady, although downward pricing pressure is appearing in light of weakness in other manufactured dairy product markets. Demand for cheese remains steady from regular and ongoing customer needs. Stocks are reported to be in good balance for current needs. Although current demand is not clearing total production at this time, producers and handlers indicate that current and future production is pretty well committed.

39% MAXIMUM MOISTURE:	2,100 - 2,300
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SKIM MILK POWDER (SMP): Oceania skim milk powder prices are sharply lower in comparison to just two weeks ago. The recent activation of the DEIP program and subsequent awards for nearly 3000 mt from the U.S. and the reintroduction of a European skim powder subsidy are two factors enhancing a weaker price trend from the Oceania region. Stocks of skim powder in Australia and New Zealand are sufficient to meet current domestic and international buyer interest. At this time, sales continue to center around ongoing buyer needs with new sales activity slow. Slower sales activity, in part, is being attributed to buyer cautiousness as far as sourcing the product at the best possible price and the time of the year.

1.25% BUTTERFAT:	1,750 - 1,850
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WHOLE MILK POWDER (WMP): Whole milk powder prices are also sharply lower. Stocks of powder are reported to be fully adequate for current and projected needs. Often, producers and handlers report that a significant portion of their current season's production has been committed. At this point, most sales activity is centering around regular and ongoing customer needs. Buyers, especially new buyers, are reluctant to place orders at this time. Often, when inquiring about availability, buyers are not hesitant about informing producers, handlers and traders about what is happening to prices elsewhere in the world in comparison to quoted Oceania prices.

26% BUTTERFAT:	1,750 - 1,850
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Exchange rates for selected foreign currencies: NOVEMBER 19, 2001

.4168 Dutch Guilder	.4494 German Mark
.1340 French Franc	.4168 New Zealand Dollar
.1092 Mexican Peso	.5222 Australian Dollar
1.4129 British Pound	.0081 Japanese Yen
.2429 Polish Zloty	.8789 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1092)= 9.1575.
That is 1 US Dollar equals 9.1575 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

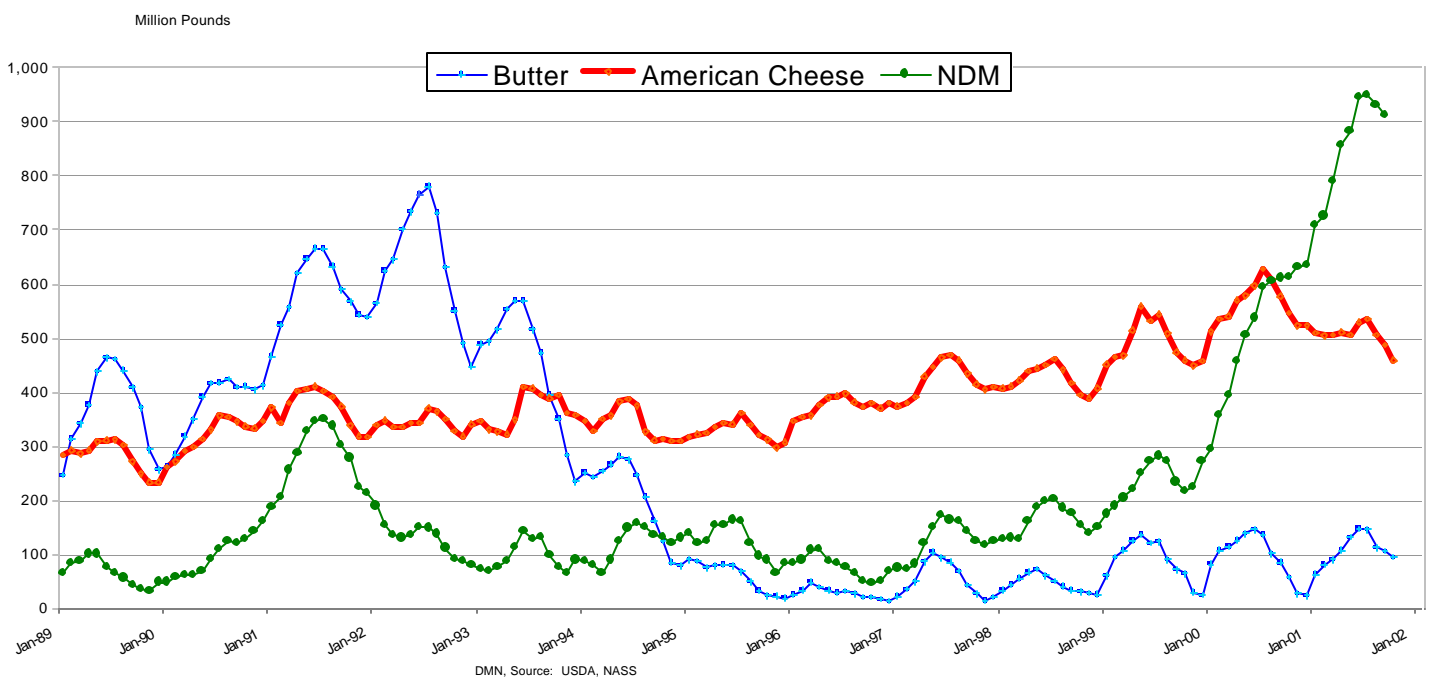
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	SEP 30, 1999	SEP 30, 2000	REVISED SEP 30, 2001	OCT 31, 1999	OCT 31, 2000	OCT 31, 2001
Butter	71,473	84,991	105,857	64,226	58,326	95,019
Cheese, Natural American	473,639	577,073	487,559	459,404	546,708	458,540
Cheese, Swiss	10,483	15,727	10,439	9,372	15,777	10,723
Cheese, Other Natural	167,148	188,146	210,732	153,233	169,492	199,323
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	214	375	331	391	330	344
Natural American Cheese	9	607	1,229	67	711	992

OCTOBER COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
New England	22,685	19,251	21,072	---	---	---	602	388	394
Middle Atlantic	41,401	49,936	58,421	---	---	---	9,947	10,159	36,386
East North Central	222,287	262,932	190,635	---	---	---	87,498	68,942	92,003
West North Central	94,155	101,924	85,276	---	---	---	45,291	65,600	55,406
South Atlantic	667	8,365	4,565	---	---	---	1,111	611	374
East South Central	0	0	272	---	---	---	150	153	151
West South Central	350	375	2,573	---	---	---	163	735	238
Mountain	11,178	13,432	11,182	---	---	---	250	6,666	5,122
Pacific	66,681	90,493	84,544	---	---	---	8,221	16,238	9,249
TOTAL	459,404	546,708	458,540	64,226	58,326	95,019	153,233	169,492	199,323

*Regional break downs are not reported to avoid possible disclosure of individual operations.

U.S. Cold Storage Holdings



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2000 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Million Pounds						Million Pounds						Million Pounds					
January	64	82	63	82	<u>3/</u>	<u>3/</u>	510	512	508	512	2	<u>3/</u>	708	296	145	146	563	150
February	81	108	81	107	<u>3/</u>	<u>3/</u>	505	536	503	536	2	<u>3/</u>	726	359	138	173	589	186
March	90	114	90	114	1	<u>3/</u>	505	541	503	541	2	<u>3/</u>	791	395	123	168	668	227
April	108	127	107	127	1	<u>3/</u>	511	570	509	570	2	<u>3/</u>	858	458	127	197	731	260
May	132	138	132	138	1	<u>3/</u>	506	578	504	578	2	<u>3/</u>	882	506	134	197	747	309
June	148	146	147	145	1	<u>3/</u>	530	597	528	597	2	<u>3/</u>	945	537	166	171	779	366
July	145	137	145	137	1	<u>3/</u>	536	628	534	628	2	<u>3/</u>	950	596	147	190	803	406
August	113	101	112	101	1	<u>3/</u>	507	610	505	609	2	<u>3/</u>	930	606	109	152	821	454
September	106	85	106	85	<u>3/</u>	<u>3/</u>	488	577	486	576	1	1	913	611	98	130	815	481
October	95	58	95	58	<u>3/</u>	<u>3/</u>	459	547	458	546	1	1		614		121		493
November		27		27	<u>3/</u>	<u>3/</u>		523		522		1		631		110		521
December		24		24	<u>3/</u>	<u>3/</u>		523		521		1		635		119		516

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Sep 30, 1999	Sep 30, 2000	Sep 30, 2001	Oct 31, 1999	Oct 31, 2000	Oct 31, 2001
	Thousand Pounds					
Butter	71,259	84,616	105,526	63,835	57,996	94,675
Natural American Cheese	473,630	576,466	486,330	459,337	545,997	457,548

1/ Total holdings minus Government owned holdings. For more information, see page 9 of this report.

SOURCE: "Cold Storage," Co St 1 (11-01) and "Dairy Products," Da 2-6 (11-01), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, OCTOBER

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for October have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During October, about 9.8 billion pounds of milk were received from producers. This volume of milk is 3.4 percent higher than the October 2000 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +3.7 percent.) About 4.1 billion pounds of producer milk were used in Class I products, 2.8 percent higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilization percentages were; Class I = 41%, Class II = 11%, Class III = 40%, and Class IV = 8%. The weighted average statistical uniform price was \$15.45 per cwt., \$1.63 lower than last month, and \$3.10 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF OCTOBER 2001										
FEDERAL MILK ORDER MARKETING AREA ^{1/}	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE ^{2/}
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	1,987.6	4.9	949.4	3.3	48	17	28	7	16.04
Appalachian (Charlotte)	005	527.6	4.7	387.2	5.7	74	13	5	8	16.73
Southeast (Atlanta)	007	627.4	0.2	415.3	-0.1	66	10	19	5	16.70
Florida (Tampa)	006	218.4	-1.3	200.8	1.0	92	6	0	2	18.30
Mideast (Cleveland)	033 ^{3/}	1,424.7	8.5	592.4	4.1	41	15	40	4	15.03
Upper Midwest (Chicago)	030 ^{3/}	1,783.5	8.9	355.5	3.7	20	5	73	2	14.75
Central (Kansas City)	032 ^{3/}	1,441.9	-0.8	432.5	0.4	30	7	57	6	14.92
Southwest (Dallas)	126 ^{3/}	730.3	0.3	360.5	4.2	49	10	33	8	16.05
Arizona-Las Vegas (Phoenix)	131	238.3	0.0	83.1	-5.0	35	5	40	20	15.01
Western (Salt Lake City)	135 ^{3/}	296.4	0.4	92.4	5.9	31	16	15	38	14.35
Pacific Northwest (Seattle)	124 ^{3/}	565.4	-6.5	188.8	3.3	33	7	28	32	14.38
ALL MARKET AVERAGE OR TOTAL	^{3/}	9,841.4	3.4	4,057.9	2.8	41	11	40	8	15.45

^{1/} Names in parentheses are the major city in the principal pricing point of the market.

^{2/} Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

^{3/} Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in these markets, handlers elected not to pool an estimated 340 million pounds of milk that normally would have been associated with these markets. In October 2000, the estimated not-pooled volume of milk was 300 million pounds. After adjusting for these not-pooled volumes, the year-to-year percent change is +3.7.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE PERIOD OF NOVEMBER 19 - 20, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 11/16/01	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	774,730	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	233,938	-0-	-0-
Process	-0-	-0-	-0-	-0-	1,782,000	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	2,790,668	-0-	-0-
NONFAT DRY MILK							
Nonfortified	6,609,116	1,846,737	4,762,379	22,440,031	56,759,442	616,568,000	-0-
Fortified	-0-	-0-	-0-	-0-	11,474,212	38,227,000	-0-
TOTAL	6,609,116	1,846,737	4,762,379	22,440,031	68,233,654	654,795,000	-0-

Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF NOVEMBER 19 - 20, 2001 =	1.0	55.4	COMPARABLE PERIOD IN 2000 =	16.3	95.3
CUMULATIVE SINCE OCTOBER 1, 2001 =	4.9	261.2	CUMULATIVE SAME PERIOD LAST YEAR =	40.8	821.9
CUMULATIVE JANUARY 1 - NOVEMBER 20, 2001 =	78.4	3,531.5	COMPARABLE CALENDAR YEAR 2000 =	201.5	6,000.9

* Factors used for Fat Solids Basis Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE PERIOD OF NOVEMBER 19 - 20, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	4,762,379	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	2,556,730	-0-	1,299,802	0.0	58.6
WEST	-0-	-0-	-0-	233,938	22,440,031	66,933,852	100.0	41.4
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
TOTAL	-0-	-0-	-0-	2,790,668	22,440,031	68,233,654	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

NONFAT DRY MILK Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 11/03/01 & Comparable Week 2000

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2001-Dairy	0.2	0.7	5.9	4.9	20.5	2.2	0.5	0.9	13.1	2.4	51.2	2,169.7	40.9	45.7
2000-Dairy	0.2	0.9	6.1	5.5	22.4	2.4	1.8	0.8	11.9	2.6	54.9	2,198.4	46.3	48.5
2001-All cows	0.2	0.9	8.1	14.8	31.4	18.4	18.9	6.0	17.6	8.9	125.3	4,750.9		
2000-All cows	0.2	1.1	8.3	15.5	30.9	15.1	17.8	6.4	15.2	8.1	118.6	4,531.2		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44	14.21	14.99	15.34	15.40	15.56	15.93	15.76	
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98	16.24	13.53		
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60		
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06	15.59	12.77		

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm